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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/282,156	03/31/1999	SAM E. KINNEY JR.	046700-5003	8244

28977 7590 02/02/2004  
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EXAMINER

KYLE, CHARLES R

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 02/02/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/282,156

Applicant(s)

KINNEY ET AL.

Examiner

Charles R Kyle

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

1) ☒ Responsive to communication(s) filed on 08 December 2003.

2a) ☐ This action is FINAL.

2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

4) ☒ Claim(s) 65,69 and 76-83 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.

6) ☒ Claim(s) 65,69 and 76-83 is/are rejected.

7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.

8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. §§ 119 and 120

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) ☐ All b) ☐ Some \* c) ☐ None of:

1. ☐ Certified copies of the priority documents have been received.

2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.

3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

a) ☐ The translation of the foreign language provisional application has been received.

14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

## Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_.

4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: \_\_\_\_\_.

## **DETAILED ACTION**

### **Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 65, 69, and 76-83** are rejected under 35 U.S.C. 103(a) as being unpatentable over Zandi in view of WWWFinance.

**With respect to Claim 65**, it is the system form of method claim 69 and is rejected in a like manner. See the discussion of Claim 69 below.

**With respect to Claim 69**, Zandi discloses a method of participating in an electronic reverse auction (Abstract) between a plurality of potential bidders (Fig. 1, elements 50) the plurality of potential bidders competing for a lot having at least one product (Abstract, the loan), comprising the steps of

- (a) receiving bid information from a bidder for said lot (Col. 6, line 56);
- (b) generating a transformed bid using at least said bid information (Col. 9, lines 11-18)
- (c) transmitting the bid to an auction server (Col. 9, lines 11-18) to allow relative comparison of bids on a competitive basis (Col. 1, lines 7-12; Col. 5, lines 16-23);

wherein step (b) comprises the step of generating a bid using a predefined discount rate structure (Col. 8, lines 1-12, interest rate) and received multi-segment bidding parameters (Col. 8, lines 1-12, loan term) said bid representing a sum of a series of payments over a plurality of contract term segments which are discounted using said predefined discount rate structure (total cost of mortgage over contract term segments).

Zandi does not specifically disclose the comparison of choice values generated using calculation of a non-zero net present value. WWWFinance discloses this feature at page 1, bullet 2. In this example, WWWFinance discloses the use of net present value to choose from alternative options using discounting based on interest rate (15%) and a plurality of contract term segments ( $T=1$  to 5).

These are the parameters disclosed by Zandi as interest rate and loan term, as cited above. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Zandi using the net present value calculation of cash flows of WWWFinance because this would have provided comparability of loan bids (products) by producing an overall value for each bid considering multiple parameters.

Applicant has amended the claims to recite a limitation in which the buyer supplies the discount rate to bidders. Both cited references fail to teach this feature. Applicant's Specification, at page 12, and as cited by Applicant in the last response recites an old and well known formula for net present value. Applicant's new limitation effectively states that the buyer selects the rate of interest to be compounded in the calculation of net present value. This is merely a practice of varying two variables out of three to calculate a third result. Applicant merely sets an interest rate ( $r$ ) constant while allowing the time periods ( $i$ ) and net present value

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(NPV) to vary. This is analogous to allowing a car purchaser obtaining a loan to select the interest rate he/she wishes to pay and allowing the total amount paid back and the term of the loan to vary depending on the interest rate ("*0 % interest, 2.9% interest or \$1000 Cash Back*"). Official Notice is taken that allowing a buyer to select a discount rate would have been an obvious way to modify Zandi to allow a buyer to control a variable in the calculation and to allow him/her control over the evaluation of bids.

**Concerning Claim 76**, see the discussion of Claim 69 above.

**With respect to Claim 77**, WWWFinance discloses receiving multi-segment bidding parameters, said multi-segment bidding parameters defining a pattern of payments over a plurality of contract term segments at page 1, "Example".

**With respect to Claim 78**, WWWFinance discloses receiving a unit bid (Title), a contract length (contract term segments (T=1 to 5), a contract quantity or quantities (an upgrade choice), and price discount values for a plurality of contract term segments (15% interest rate).

**With respect to Claim 79**, Zandi does not specifically disclose receiving price values for each of the plurality of contract term segments Official notice is taken that examination of price value for a contract term is old and well-known as cash flow analysis, whereby a buyer can determine whether payments can be met for each segment of the loan term. It would have been obvious to one of ordinary skill in the art at the time the invention was made to have used this feature in the invention of Zandi because this would have allowed the buyer to assure that he/she would be able to make payments for each of the contract term segments.

**With respect to Claims 80-83**, they are the system form of Claims 76-79 and are rejected in a like manner.

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### **Response to Arguments**

Applicant's arguments with respect to claims 65, 69 and 76-83 have been addressed in the rejections above.

### **Conclusion**


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Crk

Examiner Charles Kyle



January 25, 2004